

D&C September Newsletter

**Dickinson
&
Clark CPAs**

WORKING FROM HOME – ALL THE PERKS BESIDES A TAX DEDUCTION

This year has changed where a lot of people are conducting their work. Many offices have gone remote and have not been back to the office since. Industries came to the realization that there are many benefits to having their employees work from home. If this is something your employer has opted for, you may be wondering; Can I deduct my home office on my 2021 Tax Return? After all, you are working from home.

The short answer to this is no. Taxpayers who are classified as employees and receive a W-2 at the end of the year do not qualify for the home office deduction.

So, who does qualify for this deduction? The answer to this would be the self-employed, independent contractors, and “gig economy” workers. Those who qualify can deduct the costs of having a home office if it fulfills the requirements. Those being it must be the primary space where you work and must be dedicated solely to work. It must be separate from the living part of the home (i.e. a separate room, a detached garage, etc.) and used only for business. For the purposes of the deduction, it does not matter if you rent or own, but it does matter if it is temporary housing such as a hotel room. You cannot deduct any hotel expenses as home office.

NO DEDUCTIONS FOR EMPLOYEES

Taxpayers who are working for a company, even if they are doing so remotely, do not qualify for the home office deduction. They also do not qualify for any other business deductions.

Working from home has many other benefits, but none related to your taxable income at the end of the year.

Please consult your tax prepare with any questions regarding deductibility, or if you think you may qualify.

REMINDER:

**September 15th : 3rd
Quarterly estimate
payments due**

**September 15th : Extended
deadline for business Tax
Returns**

